

Marketing and Incentives Workgroup Committee

Meeting Minutes

June 5, 2001

1. The previous meeting minutes were approved.
2. Gina Grey, WSPA, made the first comment. She suggested we refocus our objective of marketing and incentives to encourage owners to participate in our retrofit plan.
3. Crystal Reul informed everyone of the survey of stakeholders that was sent out results, and said that the participation (response) so far is low (see attachment 2) and what do we need to do to step-up participation?

It was suggested that we distribute the survey through associations.

Stephanie Williams, CTA, will be providing us with results of her survey next meeting. Also, Cynthia Cory, was not present to provide her Farm Bureau survey results, but will have them for us the next meeting (?).

4. Nancy Steele, Air Resources Board made a suggestion that we need to select an outside party (apart from ARB) to coordinate and structure a clear vision of marketing and incentives field of vision for the diesel industry.

Kathleen Tschogl, ARB Ombudsman, suggested that Stephanie Williams & Tim Taylor, Sacramento AQMD, locate a disinterested party to supply information that may be useful in our workshop for encouraging participation for a new field of engine controls.

Stephanie Williams suggested the committee focus on refuse trucks for now and see what the results obtain.

Nancy Steele stated that she sees a conflict of interest, if ARB proposes a cash incentive or any form of payment that may interfere with ARB's purpose of reducing emission, by encouraging the consumer to seek free money and may not reduce emissions in the process.

Gina Grey suggested that forming a separate implementation group to consider the regulations for retrofits might be in the best interest of the workgroup.

Stephanie Williams suggested we put a Bill into the Legislature to form a group to report to Legislature. She talked about the Carl Moyer program and how to make it effective among the trucking owners. She also suggested creating a Special Board to appropriate money for retrofits and distribution.

Stephanie Williams volunteered to write a Bill similar to the Carl Moyer Program to make the Marketing and Incentives Program a separate entity. Tim Taylor, Sacramento AQMD, and Kathleen Tschogl were volunteered to help her draft the Bill.

5. Crystal Reul stated that she would send out a list to the committee members of the cost analysis involved with retrofits and a list of questions. She provided basic inventory information from the Diesel Risk Reduction Plan (Sept. 2000) also.

Table 1. California Inventory

Category	Population of Diesel-Fueled Equipment	
	2000	2010
Offroad		
Agriculture	199,860	190,070
Construction & Mining	168,450	188,110
Commercial	53,710	59,460
Commercial Marine Vessels	Significant, but undetermined	
Onroad	2000	2010
Medium Heavy-Duty Truck	163,100	189,220
Heavy Heavy-Duty Truck	148,480	162,780
NAFTA trucks entering the US.	Significant but undetermined	

Tim Taylor suggested the vocation and average age of the vehicles included with duty cycle must be considered in the demographics of the business and vendor. This is for the people that participate in the repower program.

6. Stephanie Williams suggested we go into a fleet (leaser) to find out what it takes to lease a refuse truck with fuel and maintenance costs included. And remember the ash waste in California for retrofits may be considered a hazardous waste and incur additional costs.

Charles Ross, ARB, suggested that companies or owners that put other names on their trucks might be avoiding certain fees, which may be considered for an incentive for retrofits.

7. Stephanie Williams said carriers operate in different ways, their membership is divided in between refuse haulers, commercial carriers and private carriers, also the sub-haulers who contract and do business with government and private fleets. Stephanie will ask her secretary to separate the sub-haulers with the companies in CTA's files.
8. At the next meeting Tim Taylor will present information on his incentives program. Stephanie Williams also give a presentation on fleet practices by vocation.
9. The next meeting will be held in ARB's office in Sacramento (1001 I Street) on June 26, 2001. This meeting will precede the Refuse Hauler's Workshop and commence at 9am to 11am.

**Marketing and Incentives Workgroup
VOLUNTARY PROGRAM SURVEY RESULTS
June 5, 2001**

INDUSTRY	HDDV owner	ECS now?	Add ECS?	Motivation?	Advertising?
1. Oilfield Service Company	Yes	No	No	Tax Incentives	CARB
2. Oil & Gas Well Drilling	Yes	No	No	Time Savings Tax Incentives Govt. grants – Moyer-type	<u>AESC Well Servicing</u> , CARB PERP mailing list
3. Oil & Gas/Geothermal	Yes	No	No	Time Savings Tax Incentives Govt. grants Low Maintenance Units	Newspaper
4. Municipal Govt.	Yes	No	No	Regulation	<u>NAFA Fleet Executive</u>
5. Long haul trucking and local delivery	Yes	No	No	Regulation, fuel availability & reasonably priced technology	<u>Transport Topics</u>
6. Regional short haul trucking	Yes	Yes	N/A	Tax Incentives	<u>Caltrux, Newport Communications</u> , <u>Transport Topics</u>

Stephanie Williams: CTA survey responses

Cynthia Cory: California Farm Bureau Federation survey responses

Other responses?

Program Designs

1. "Tax incentives to reduce corporate tax. Change the Carl Moyer Program to include portable equipment in the PERP program. The State of California to develop a program to invest tax dollars to reduce emissions and the larger reduction will generate larger amount of dollar will be spent on engine replacement."
2. "A program with grants & tax incentives so that we could stay in business."
3. "Make it a requirement for the vehicle manufacturer so it is transparent to the purchaser and end user. There would be no record keeping, etc. and it would apply to new vehicles. The problem becomes in retrofitting to existing vehicles. End users do not like this because of warranty issues, recording keeping and documentation requirements. I have no easy answer for this."
4. "Units must be easy to install & maintain, not pose health & safety risk or cause violation of other laws or void warranty. Tax incentives for early phase-in and reduction of emissions would hold if enough to help pay cost of purchase & install. Reliability & health of employees to concern."
5. "I would first make the fuel the standard and widely available. Next, the manufacturers need to develop the technology at a reasonable price (less than \$500 per vehicle range). Provide incentives for end users which mitigate the fuel and device cost impact."
6. "Nationwide fuel standard of 15 ppm diesel, tax incentives (tax credit) for the marginal costs of technology."

Switzerland's government experience on motivating vehicle owners to use ECS:

1. They continuously publish about the health risks of diesel particulate matter on different levels (scientific to general newspapers) and the need to minimize exposure according to best available technology (which is the law in Switzerland).
2. They send the same health risk information by direct mailing to all relevant groups (truckers, construction, public transport, etc.)
3. They inform repeatedly the managers of those industries about their responsibilities, which include the requirement to use best available technology in the case of carcinogenic substances like diesel PM.
4. They introduce systematic instruction on these questions on all educational levels for engineers, technicians, and engine fitters.
5. They publish their successful results with traps (now about 3000 traps installed in Switzerland).
6. They provide "green stickers" for such vehicles with traps.
7. They offer tax incentives for heavy-duty diesel vehicles if a vehicle falls into the next low emission class by retrofit measures.
8. Public transport organizations require all vehicles of their contractors be fitted with ECS and finance it. This will be completed in the largest canon (Bern) by the end of this year and others will follow.
9. They offer testing of ECS installed vehicles to demonstrate the quality and publish the results. This is one of the measures best suited to increase confidence in this new technology.
10. They have an updated list of systems, which have passed their VERT suitability tests successfully (this turned out to be a very important instrument – helping people with their decisions).
11. They have a cost-free consultant service for trap system selection and control. Anybody who is inclined to retrofit his vehicle can contact this service and ask for assistance. The consultant service will even go to him to help determine which system would best fit his applications. The consultant is also available to help with datalogging, emission measurement and controls after installation, but the vehicle owner would help with these expenses.
12. They motivate industrial groups to design their own internal rules and regulations (and the government assists in doing this) for their members and use this as a "green" marketing instrument ahead of regulations.